CHAPTER XXII—BILLS.

	Article.		Article.
Forms of Bills ...	... 417	Currency of a Bill	... 433
Issue of Bills ...	... 418	Record of Payment	... 434
Advice Lists ...	... 422	Accounts of Bills paid	... 435
Accounts of Bills issued	... 424	Issue of Duplicates	... 436
Regularity of Signature	... 426	Cancellation. ...	... 439
File of Advices ...	... 428	Exchange ...	... 404
Examination of Bills presented	430	Lapse of Bills ..	... 441
Doubtful Bills ...	... 431	Supply of Forms	... 442
Form of Receipt	.. 432	Care of Forms	... 443

Forms of Bills.

417. Two forms of bills are used for remittance of public funds, *viz.*, *Supply Bills* (Form 95) and *Remittance Transfer Receipts* (Form 96). *Supply Bills* are issued under the special orders of the Comptroller by specified treasuries at times and on conditions prescribed by him. The conditions of issue of *Transfer Receipts* will be found in Chapter X. All treasuries issue and cash *Remittance Transfer Receipts.*

Issue of Bills.

418. Before the commencement of a new official year, a register of bills issued (Form 97) will be opened, the pages should be ruled and the lines numbered. The series of numbers will commence anew with each official year; a number cannot be used again though the bill has been cancelled before another is drawn. In other columns will be entered the printed number, the date and amount of the bill, the names of the remitter and payee, and the authority for issue, whether this be contained in an article of Chapter X or a letter of the Comptroller; the remarks column will be left blank for note of issue of duplicates, of cancellation and the like.

419. Supply bills and Transfer receipts will be recorded in the same issue register which provides separate money columns for recording them.

420. Bills should be prepared and signed from time to time as they are applied for, immediately on the receipt of cash; the business of signing them should not be postponed till

the close of the office, and *on no account* may the office be closed till all bills applied for have been issued. Each must be signed legibly with the signature of the drawer (who should take pains to maintain a uniform signature), and should then be torn by him from the book.

421. At the time of signature, the register of bills issued, together with the application for the bill, the advice list in cases where an advice is necessary (Article 422) and the book of forms, will be laid together before the Treasury Officer; he will sign the advice before the close of office, but he will initial each entry therein, and in the register at the same time as he signs the bill, after he has satisfied himself that—

(*a*) the several documents agree;

(*b*) the authority for issue is sufficient;

(*c*) the date and place of issue and the name of the payee are legibly and distinctly entered in the body of the bill;

NOTE.—In the case of Remittance transfer receipts in favour of a public officer, the purpose for which the remittance is made must be plainly stated in the body of the bill, in order that the document may be complete in itself and independent of a covering letter; but the drawer's omission to give this information will not justify the drawee in refusing payment.

(*d*) in addition to the amount being entered in figures, the amount of whole rupees is entered a second time in words, and the annas and pies in words or figures; that the words are written continuously without lifting the pen and that when the amount consists of rupees only and does not contain annas and pies, the words end with the word "only";

(*e*) a sum a little in excess of that for which the bill is granted is entered in words across the bill at right angles to the type;

NOTE.—"Under thirty rupees" will mean that the bill is for a sum not less than Rs. 20 but less than Rs. 30; and similarly, "under eight hundred rupees" will mean that it is for less than Rs. 800, but not less than Rs. 700.

(*f*) the bill is signed in every case by the Accountant, and also by the Treasurer when the bill is issued in exchange for cash, but by the Accountant a second time instead of the Treasurer when the amount has been received by transfer in account.

NOTE.—The provision that each bill issued in exchange for cash shall bear the Treasurer's signature is only intended to bring home responsibility to him.

Advice Lists.

422. The special printed forms on which the bills are drawn, the signature of the Treasury Officer and the treasury

stamp constitute sufficient safeguards against fraudulent payments. As an additional safeguard, advice of issue of bills exceeding Rs. 500 in value will be sent on the day of issue by the drawing treasury to the treasury on which the bill is drawn. The advice list (Form 98) will include both supply bills and transfer receipts drawn on the same day on a particular treasury and should contain the number of each bill. The advice will be initialled as each bill is signed, and the list will be totalled, closed and signed by the Treasury Officer, and despatched without a covering letter, without fail, before the treasury closes on the day of issue.

423. If alterations be made in a bill prior to issue, the corrections should be noted in the advice, and each alteration, both in bill and advice, should be authenticated by the drawer's initials, in order to prevent hesitation on the part of the drawee. If the drawer should enter the amount so carelessly as to enable a stranger to alter it, and fraudulently to obtain payment of a larger amount, the *drawer* and not the drawee must bear the loss. But the drawee must remember and apply the defensive checks provided for him.

Accounts of Bills issued.

424. (*a*) The issue register (Form 97) will be the only record of detailed transactions preserved in the office and a copy of it is simultaneously prepared for submission to the Comptroller with the monthly cash account.

(*b*) There will be only one issue register for both supply bills and transfer receipts. The number of each bill must be given without fail in it and the daily total carried into the cash book.

425. The Treasury Officer should compare the total of this register day by day, with the credit in the cash book; and check the issue of forms by the number of entries in the register.

Regularity of Signature.

426. Variation in the signature of the drawer often entails much trouble on the paying treasury, and the drawer will be held responsible for any inconvenience or delay which may be caused to individuals in consequence of change in, or illegibility of, his signature, or other serious irregularity on the face of the bill, as the drawee would be justified in suspending payment in cases of doubt arising from such causes.

427. When any change of Treasury Officer occurs, a specimen of the signature of the new comer should be forwarded by the out-going officer to all treasuries usually drawn on. The following form will be convenient :—

The undersigned begs to notify to..... that he has on this day been relieved of the executive charge of the treasury at..... .....by..... a specimen of whose signature is annexed.

.... *Relieved officer.*

The ....*192* .

Relieving officer.

1. In the case of an officer signing in vernacular, his name should also be written in English characters in this notice as well as after his signature in bills.

2. When an officer who was formerly in charge of a treasury resumes charge of it after a lapse of time, his signature need not again be circulated among Treasury Officers.

File of Advices.

428. The advice lists received from the issuing treasuries must be opened in the presence of the Treasury Officer, and each dated and initialled by him after he has satisfied himself of its genuineness by examining the signature of the drawer and if necessary, the post mark. They should then be pasted chronologically in guard files which should be kept under lock and key. If the number of advices received is large, it will be convenient to sort and arrange them according to the treasuries from which they are received and to keep together the advice received from each treasury.

NOTE.—It may be as well to remind Treasury Officers of the security (against the fraud of altering after signature the amount shown in the advice) which is afforded by comparison of the total amount reported in words in the heading with the real total of the figured amounts of an advice. Any alteration of any entry, whether of name or figures, in an advice requires the drawer's initial (Article 423) so that it is scarcely possible that any fraud should be attempted by altering the advice before he has signed it since at the time of signing he would notice any uncertified correction.

429. The advice lists, arranged in the manner prescribed in the preceding Article, will serve to facilitate the examination and identification of bills for amounts in excess of Rs. 500

presented for payment and will constitute an additional obstacle to the encashment of bills forged or fraudulently altered. A register should be kept for noting all calls for advices, of references touching irregularities, of cancellation or of issue of certificates of non-payment or of advices of seconds or thirds; and the Treasury Officer should be careful to see that these notes are punctually made, and this register is referred to before payment in all cases. A note which has served its purpose and ceases to be of use will be struck out in red ink by the Treasury Officer.

Examination of Bills Presented.

430. On presentation of a bill for payment, the Treasury Officer should see that it is in the special printed form, bears the stamp of the issuing treasury, the genuine signature of the drawer and the signature purporting to be that of the Treasurer, that it has not been tampered with, that it is not a cancelled or a lapsed bill or one of which duplicate has been paid and that it is in order in other respects. If the amount of the bill exceeds Rs. 500 he should also compare it with the advice. He should also see that it is receipted on the back by a person able to give a legal quittance. It should be borne in mind that in the case of a Remittance transfer receipt, the liability of Government to the payee named therein can only be discharged by payment of the amount due thereunder to the said payee or his lawful agent or to a recognised bank in whose favour it is endorsed for the purpose. In cases therefore where payment is not made on an endorsement in favour of a recognised bank, the Treasury Officer should not merely satisfy himself of the genuineness of the payee's signature to the receipt on the back of a bill, but should assure himself, if the payee himself is not in attendance, that the presenter of the Remittance transfer receipt is the agent or the messenger of the payee duly authorised to receive payment. If, then, the presenter is unknown to the Treasury Officials, or if known, should there be reasonable grounds for questioning his being in lawful possession of the Remittance transfer receipt, the Treasury Officer should demand a written authority from the payee authorising the presenter to receive payment on his (payee's) behalf. Similarly in cases where payment is made on an endorsement to a recognised bank, the Treasury Officer must assure himself that the presenter of the Remittance transfer receipt is the authorised agent or messenger of the bank.

1. Remittance transfer receipts signed by others 'for' the payees named therein cannot be accepted and treasuries will decline payment on bills so receipted.

2. Personal Assistants cannot sign 'for' their principals, although they may be in the habit of signing bills and other correspondence.

3. If the Remittance transfer receipt bears no signature purporting to be that of the Accountant, the fact should be immediately brought to the notice of the Treasury Officer who issued the bill in order that he may ascertain whether the amount was certainly brought to book.

4. A bill for over Rs. 500 may be paid:—

(1) *Without advice,* if there is no reason whatsoever to doubt its genuineness and if sufficient security is offered. In the case of well-known and reliable holders, this security may be dispensed with. The Treasury Officer should in all such cases apply for the necessary advice without delay.

(2) *Even though differing from advice,* at the discretion and risk of the drawee, provided there is no suspicion of fraudulent alteration, nor any possible doubt of the genuineness of the bill. But great caution should be exercised before paying on a bill an amount larger than that named in the advice.

Doubtful Bills.

431. In case of erasure, alteration, or other serious cause for suspicion, the drawee should, before payment, refer to the drawer, the Post Office, or the Comptroller, as the case may require. Any material alteration of a bill without the consent of the parties, after it has been drawn, or endorsed, affecting the date, sum, time or place of payment, will invalidate it; but the mere correction of a mistake, as by inserting the words "or order" in the endorsement of a supply bill will have no such effect. A merely technical defect, such as the omission by the drawer to note the purpose for which a Remittance transfer receipt is required will not justify the drawee's refusal to pay. Remittance transfer receipts should not ordinarily bear any other endorsement than that of the payee, and Treasury Officers are justified in declining to cash such receipts bearing any other endorsement whenever it may appear desirable to them to do so, but payment should be made, if so desired, on endorsement of the Remittance transfer receipt in favour of a recognised bank.

Form of Receipt.

432. For the sufficiency of the receipt, it is necessary to see that it is not for a part only of the bill, and that it is given by the legal holder. On no account may a bill be paid by instalments; receipt for the full amount must be given on the reverse, and the full amount must be paid.

(*a*) If the legal holder be dead, payment should be made only to his legal representative; a bill for less than Rs. 100 may, however, be paid without a certificate of administration.

(*b*) If the receipt be signed by an agent or attorney, note of the existence and of the record in the treasury, of the power of attorney should be made on the bill.

(*c*) If more than one person be named in the bill, all must join in order to give a valid endorsement or receipt.

(*d*) A bill payable to A. B. cannot be cashed on the receipt of his partner C. D. without production of a formal power of attorney; a bill payable to A. B. & Co., can be paid on the receipt as A. B. & Co., of any member of the firm.

(*e*) Bills payable to an incorporated company or any other corporate body may be paid on the receipt of the official authorised, generally, or specially, by its regulations or by power of attorney to receive moneys payable to such company or body.

NOTE.—In the case of bills payable to an unincorporated body, payment may be made to a person holding authority to receive moneys payable to such body, but the Treasury Officer should first satisfy himself that the authority has been duly conferred.

(*f*) If the amount of the bill be payable by transfer to some head of account, the head of account to which it is transferred and the item in which it is included in the treasury accounts should be noted in the advice list when the amount of the bill exceeds Rs. 500 and separate credit should be given in the register of transfer transactions and the subsidiary register concerned. The voucher submitted with the monthly accounts will contain a certificate to this effect over the signature of the Treasury Officer. If the bill be endorsed to the Deputy Commissioner or other public officer, he should endorse it "credit to such a head of account" over his signature.

A public officer when he sends a transfer receipt to a treasury not for cash payment but for credit of its amount in the treasury accounts, must, before he signs the receipt, add to the words "Received payment' the further words 'by transfer credit'.

Omission of this endorsement facilitates fraudulent appropriation of money.

Currency of a Bill.

433. A bill can be paid by a treasury only within three months from the date of issue. If presented later, it should be returned for being renewed by the drawing officer.

Record of Payment.

434. As each bill is paid, it must be stamped 'paid,' the date of payment and the amount paid being at the same time noted in the register of bills paid (Form 99) and also in the advice list in the case of bills for amounts in excess of Rs. 500, and the entries initialled by the Treasury Officer.

NOTE.—The destruction of advice lists may be sanctioned by the Comptroller after he has completed and adjusted his list of lapsed bills for the period to which the advice relates.

Accounts of Bills Paid.

435. The bills will be entered in a register in Form 99 (which is to be commenced anew at the beginning of each year), as they are paid, the daily total being each day carried to the cash book.

NOTE.—A copy of this register will be prepared simultaneously for being submitted to the Comptroller with the monthly accounts, and the bills themselves should be attached thereto.

Issue of Duplicates.

436. A duplicate of a bill may be issued under the circumstances stated in Article 177 and in the event of the loss of both original and duplicate, a triplicate may be issued on the same terms as the duplicate, the non-payment of the others being certified. The ordinary forms may be used for the issue of duplicates or triplicates but they should be prominently marked as such in red ink at the top and the issue of such bills noted against the original bill in the register of bills issued. Neither duplicate nor triplicate can be issued without reference to the Comptroller if the bill has lapsed.

437. The duplicate and triplicate must be drawn in exactly the same terms as the original bill, with the same date, the same number, the same amount, and the name of the same payee, so that if a lost bill has been endorsed, the endorsee must apply for a duplicate through the original payee. It will be issued under the signature of the officer in charge of the treasury at the time, although he be not the person who signed the original bill.

438. No duplicate or triplicate older than three months should be paid without renewal.

Cancellation.

439. When a bill is cancelled as provided in Article 179, the fact of cancellation should be conspicuously noted across the face of the bill; at the same time note should be made in the register of bills issued (Form 97) and advice of its cancellation, whatever may be the amount of the bill, also sent to the officer drawn on who should at once record the fact in the register referred to in Article 429 and in the remarks column of the advice list originally received, if any. The amount refunded should be charged in the schedule of bills paid and the name of the treasury drawn upon should be entered in the column of remarks. The entry must be supported by the cancelled and duly receipted bill as voucher; and it must appear, even though issue and cancellation take place in the same month. The number of the cancelled bill may not be used for another bill, even though no other has been drawn between the issue of the bill and its cancellation.

NOTE.—Omission to send the requisite advice has frequently resulted in the treasuries drawn upon showing in their statements bills cancelled as remaining undischarged. A strict adherence to the rule is therefore essential.

Exchange.

440. When a bill is exchanged for another (see Article 182), the original bill will be treated and charged as a bill presented for payment, and the amount again credited as received for the issue of the new bill.

Lapse of Bills.

441. Supply bills and Transfer receipts, which are not paid before the end of the third account year after that in which they are issued, lapse and their amount is transferred to the credit of Government by an account entry made by the Comptroller. Should any one apply for payment of a lapsed bill, a reference should be made to the Comptroller; if payment be sanctioned, the amount will be charged in the register of miscellaneous payments and noted against the credit to prevent a double payment.

Supply of Forms.

442. Forms will be supplied to Treasury Officers by the Comptroller. Indents for supplies should be in Form 100 and should ordinarily be for twelve months' supply and should state the quantity issued during the past twelve months and the stock of forms on hand.

1. All these forms are printed with a coloured ground-pattern on water-marked paper. Any fraudulent erasure is impossible in as much as it involves the removal of so much of the coloured ground-pattern as to ensure detection.

2. Both the letter-press and the ground pattern will be in one colour, the printed number alone being in black.

Care of Forms.

443. Immediately on receipt of a parcel of forms of bills, they should be carefully examined. They are made up in books of 100 each, and bear a printed number in a general series; the series of numbers in each book should be checked, and the books themselves compared with the particulars given in the invoice. The acknowledgment should certify that the forms have been counted and found correct.

444. The forms of bills and of advices should be placed in store under the key of the Treasury Officer, who should, each morning, issue the book or books containing bill forms, for the day's use. He must be careful not to issue a book of a later serial number before an earlier, and therefore should see that the store is so arranged as to prevent mistakes. Every evening the unused forms will be returned to him, and he should see that the series is unbroken, that no form is kept back unissued unless it be spoilt, and that the number expended in the day agrees with the total numbers of the list of bills issued.

445. Spoilt forms should never be destroyed; they should be defaced under the Treasury Officer's initials and returned to the Comptroller with the list of bills issued.